iab.
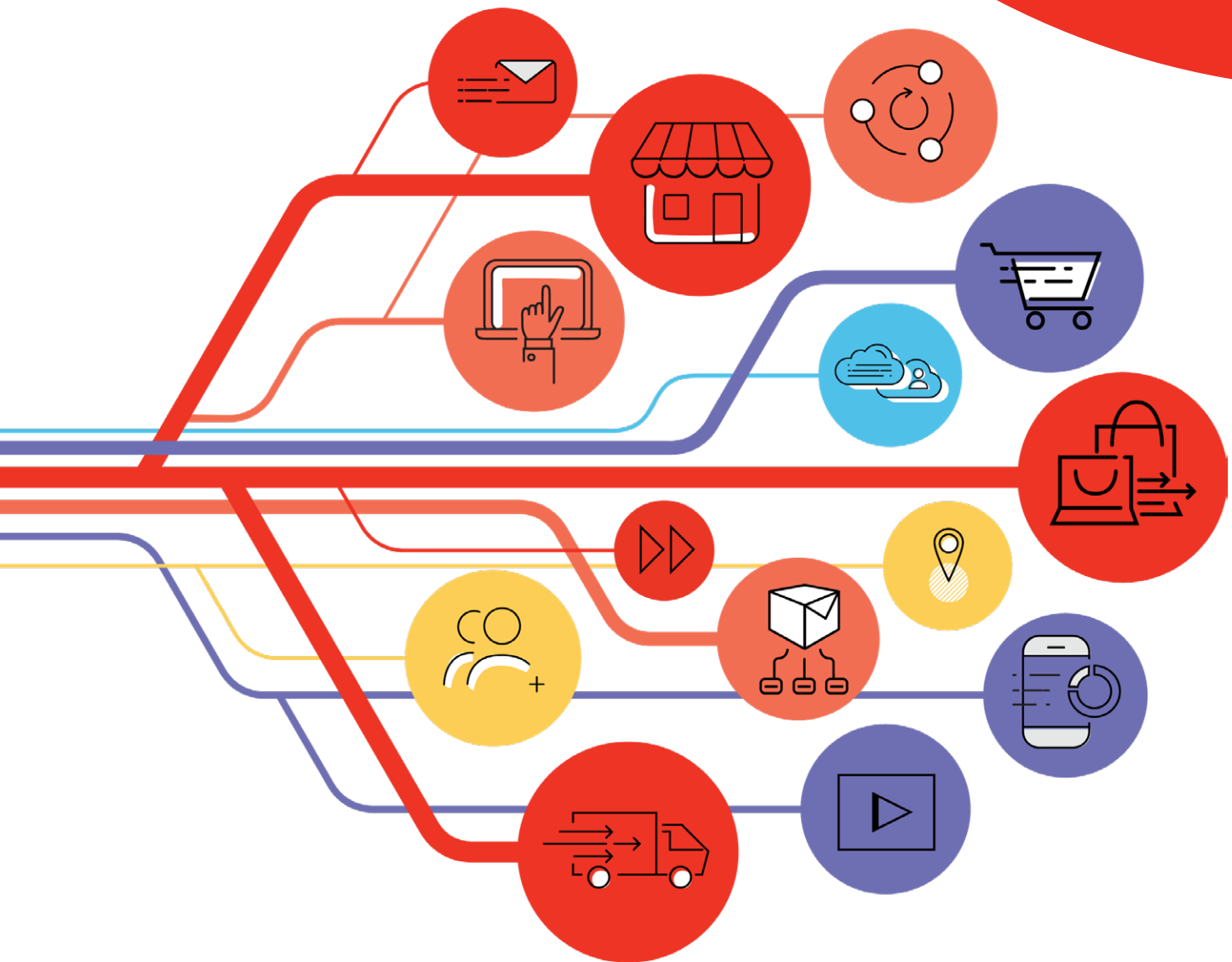
Retail Media Buyer's Guide

JULY 2023

Table of Contents

1. What Is Retail Media?

1.1 Benefits of Retail Media

Retail media is a form of digital advertising that allows brands to promote their products or services within a retailer's e-commerce platform or physical store. It involves the use of targeted advertisements and sponsored content that is displayed to shoppers while they browse and make purchases. Retail media is a relatively new concept, but it is quickly gaining popularity due to its ability to provide brands with highly targeted advertising opportunities and retailers with a new revenue stream.

One of the main benefits of retail media is its ability to provide highly targeted advertising opportunities. By leveraging customer data and analytics, retailers can deliver ads and promotions to customers who are most likely to be interested in their products. This means that brands can reach customers who are already in a shopping mindset, increasing propensity to purchase/convert. In addition, retail media allows brands to measure the effectiveness of their advertising campaigns in real-time, allowing them to optimize their strategies for better results.

For retailers, retail media represents a new revenue stream that can help offset the costs of running an e-commerce platform or physical store. Retail media also allows retailers to provide a better shopping experience for their customers by displaying targeted ads and sponsored content that is relevant to their interests.
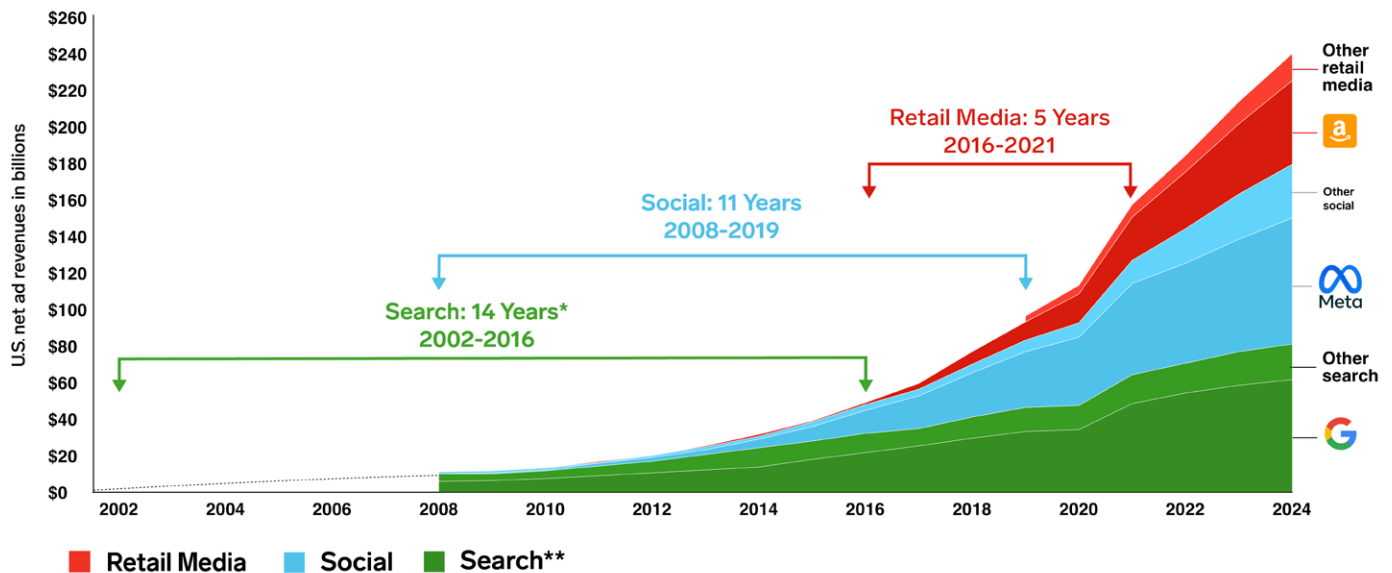
*Note: *Using the IAB estimate of $900 million in search advertising revenues in 2002. **Excludes search ad revenues from retail media advertising*

Methodology: Estimåates are based on the analysis of various elements related to the ad spending market, including macro-level economic conditions; historical trends of the advertising market; historical trends of each medium in relation to other media; reported revenues from major ad publishers; estimates from other research firms; data from benchmark sources, consumer media consumption trends; consumer device usage trends, and eMarketer interviews with executives at ad agencies, brands, media publishers, and other industry leaders.

Source: eMarketer, Oct 2022

Retail media is considered the third wave of digital advertising because it combines the targeting and measurement capabilities of digital advertising with the scale and reach of traditional advertising. The first wave of digital advertising was search advertising, which involved placing ads on search engines like Google. The second wave was social advertising, which involved placing ads on social media platforms like Facebook.

The opportunity for retail media is vast and encompasses various areas, including onsite, offsite display, social commerce, CTV, and in-store digital advertising.

- Onsite retail media involves displaying ads within a retailer's e-commerce platform, such as search result pages, product pages, and category pages. These ads can be highly targeted based on the customer's search history and purchase behavior, making them more likely to convert.

- Offsite display retail media involves displaying ads on third-party websites and apps, (i.e. Criteo, Google Display Network, or TTD), which can help increase brand awareness and drive traffic to a retailer's website.

- Social commerce retail media involves using social media platforms like Instagram, Facebook, and Pinterest to promote products and drive sales. Retailers can create shoppable posts and ads that allow customers to purchase products directly from the platform.

- CTV Retail Media involves displaying ads on streaming TV services like Hulu, Roku, and Amazon Fire TV. CTV offers retailers the opportunity to reach customers who are increasingly shifting away from traditional cable TV and towards streaming services.

- In-store retail media involves displaying ads and promotional content within a physical store, such as audio, digital signage, product displays, location-based, notifications, and interactive kiosks. In-store retail media can help increase product awareness, promote new products, and drive sales.
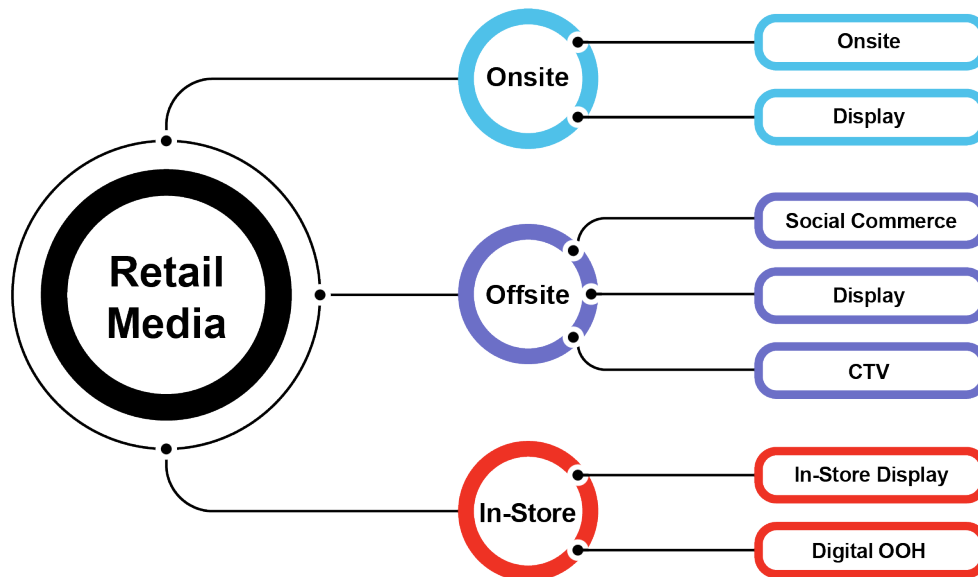
Source: IAB Intro to Retail Media Course, 2023

1.2 Challenges of Retail Media

Retailers Are Becoming Media Companies
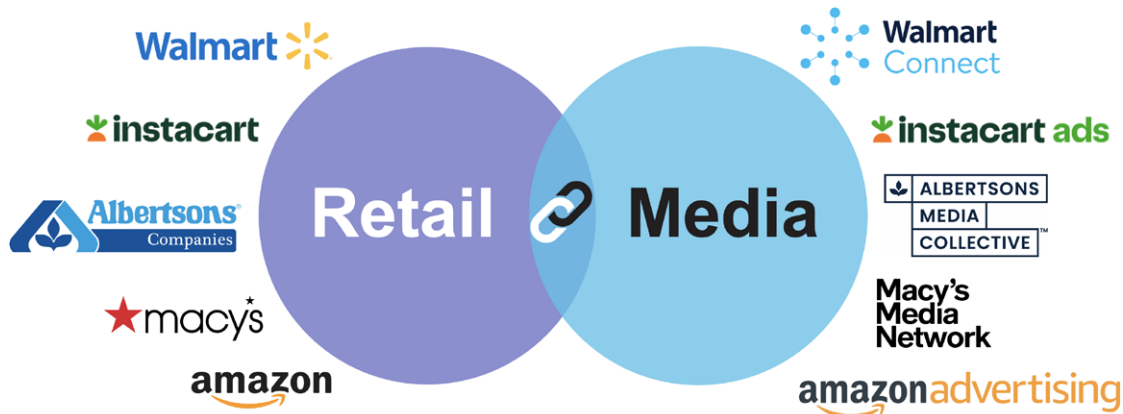
Source: IAB Intro to Retail Media Course, 2023

The rise of retail media networks (RMNs) offers both retailers and brands a host of exciting possibilities. However, despite the many proposed benefits, there are still several obstacles standing in the way of realizing RMN's full potential. To overcome these challenges, it is critical to identify and address them head-on.

- Retailers face the challenge of launching a successful RMN that requires competencies in customer data management, media, and ad tech. These competencies are not typically found in the core business of retailing, which means retailers must create standalone functions to handle RMN. In addition, consistent and granular closed-loop measurement on spend within retail media networks increases the likelihood of unlocking investment.

- Brands have an abundance of choices in terms of where to invest in RMNs. It is therefore essential for a retailer's RMN to have a clear and distinct value proposition to attract incremental investment/revenue. RMNs provide for both "upper-funnel" brand building and "lower-funnel" performance marketing, which blurs the traditional roles between commercial and marketing functions. The impact of brands looking to increase the money spent within their RMNs can mean retailers are willing to accept more new SKUs than before to create greater auction density on more keywords. This creates more competition online and in-store.

- Agencies face the challenge of building full-capability teams that can guide clients strategically and in planning and executing across an RMN ecosystem. This requires acquiring the right experienced talent, building the right models, and workflows. Also, there is significant competition for Retail Media talent, and there is often a significant gap in RMN knowledge across different agencies. Agencies are increasingly tasked with helping clients ensure optimal media spending without duplication.

- Consumers are promised a more relevant shopping experience through better-targeted ads with RMNs. However, there is a potential risk of a degraded consumer experience via ad overload if monetization pressures aren't calibrated against what consumers will find useful. Therefore, it is vital to maintain consumer trust in what they are seeing via search and display by displaying the best options rather than only showing solutions that have paid to play.

Overall, because RMNs represent one of the biggest shifts in advertising in decades, significant challenges and obstacles are to be expected. Overcoming them requires collaboration across stakeholders within companies, between brands and retailers, and across the industry. By identifying and addressing these challenges, RMNs can continue to grow and thrive, providing benefits for all stakeholders involved.

1.3 The Privacy Landscape

The changes in data privacy regulations, such as the EU's General Data Protection Regulation (GDPR) and the California Privacy Rights Act (CPRA), along with platform changes like Apple's identifier for advertisers (IDFA), have made it more difficult for brands to access and use customer data for targeted advertising. This has resulted in the need for new solutions, such as retail media, that allow brands to leverage first-party data and reach customers in a closed-loop environment. Retail media provides a way for brands to target customers based on their shopping behavior and preferences, with the added benefit of closed-loop measurement to track the effectiveness of campaigns. This has highlighted the value of retail media as a reliable and effective advertising channel, particularly in a landscape where data privacy and measurement are becoming increasingly challenging.

However, it is important to note that this increased reliance on first-party data comes with a responsibility to adhere to consumer privacy. Brands and retailers must ensure that the data they collect is used ethically and transparently, and that consumers have control over their data and how it is used. Failure to do so can result in loss of consumer trust, legal repercussions, and damage to brand reputation. Adhering to consumer privacy not only protects the consumer, but also supports the long-term success and growth of retail media.

2. Introduction To Planning for Retail Media

2.1 Understanding Partner Properties

Planning and executing a media investment strategy in the age of commerce media requires close collaboration between retailers and brands to ensure alignment between business goals and target audiences. At the executive level, business goals such as sales growth, profitability, market share, in-store visibility, and successful velocity on new product launches will dictate the competitive strategy. Consequently, these business goals directly impact media strategy and planning.

Developing a media investment strategy that aligns with enterprise-level and brand-level goals requires a clear understanding of the target audience, how that audience consumes media, and eventually, how they consume your product. It is also essential to consider how various media channel options will impact behavior at different points in the customer lifecycle and how the consumer will reach to different messaging, offers or personalization efforts.

Moreover, as more retail platforms transform their ability to capture and activate shopper data, marketers are getting better equipped to manage personalization strategies and benefit from a more direct line to full-funnel performance measurement and validation. As a result, the planning process now requires a comprehensive understanding of the advertiser's total relationship with each retail partner and commerce media's influence on the media landscape, although many fundamentals of the process remain the same.

> The integration of retail media into a holistic brand plan is important as activations span both tactical operations and marketing touchpoints such as driving traffic across tactics. The goal is to transition from "info sharing" between teams to executing across full-funnel planning.

2.2 Retail Media Makes Everything Performance Media

Retail media networks have evolved to offer a range of solutions that can be utilized to optimize performance and achieve business objectives. To effectively leverage these solutions, it is important to take a top-down approach and prioritize retailers and budgets based on the desired business outcome. This will enable brands to allocate their resources in a way that drives the greatest impact and results.

One of the key advantages of advanced retail media networks is the ability to create custom audiences using first-party data. This enables brands to target the right message to the right audience at the right touchpoint, thereby improving the effectiveness of their campaigns. By accessing a retailer's first-party data, brands can also gain valuable insights into shopper behavior and preferences, which can inform their targeting and messaging strategies.

It is important to overcome the perception that retail media networks are only conversion focused. Brands should recognize the value of these networks in building stronger partnerships with retailers, enabling sales and customer development support, and accessing first-party data for programmatic targeting. Additionally, insights and shopper teams can benefit from the ability to better understand the shopper by retailer, while measurement and finance teams can appreciate the closed-loop reporting capabilities that many retail media networks offer.

To optimize performance and achieve business objectives, it is important to have fluidity in budget allocation both within and across accounts. Brands should be willing to allocate their resources where they have the best chance of performing based on the criteria. In addition, a second layer mapping to the various parts of the shopper journey with corresponding digital media KPIs can be considered, including brand awareness, performance, and brand loyalty.
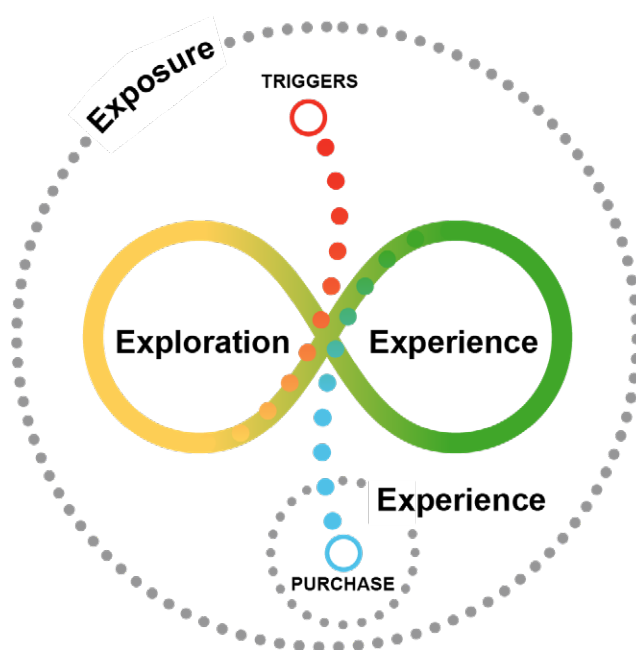
Exposure:
A constantly present underlying net of external factors

Exploration:
Consumers expand their consideration set

Evaluation:
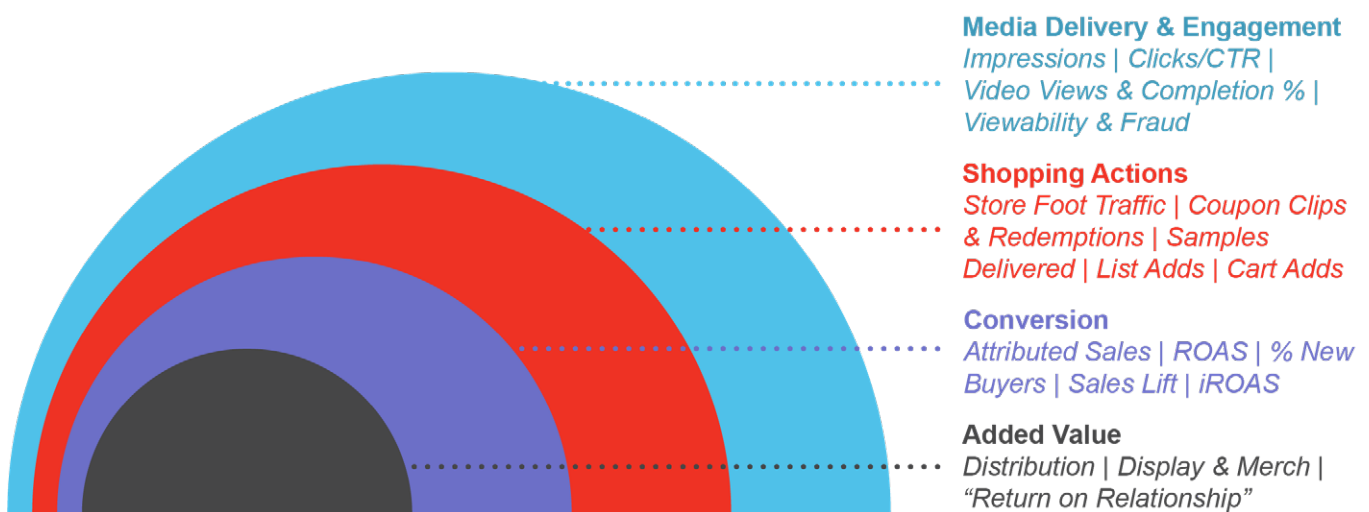Consumers narrow down their options

Experience:
Feeds into exposure and influences subsequent journeys

Source: Google

In this new view of the consumer funnel, retail media networks squarely support exposure, exploration, and evaluation modes of consumer shopping behavior providing branding, consideration, and final decision making, squarely meeting the needs of the digital customer journey. By taking a holistic approach to retail media planning and prioritizing business outcomes, brands can achieve higher-level business goals, including sales growth, household penetration, new customer acquisition, contribution margin/profitability, and category/market share growth. This approach will enable brands to reach customers where they are in their journey, driving greater engagement and ultimately improving performance against their KPIs or objectives.

Levels of Retail Media Evaluation

Media Delivery & Engagement
Impressions | Clicks/CTR | Video Views & Completion % | Viewability & Fraud

Shopping Actions
Store Foot Traffic | Coupon Clips & Redemptions | Samples Delivered | List Adds | Cart Adds

Conversion
Attributed Sales | ROAS | % New Buyers | Sales Lift | iROAS

Added Value
Distribution | Display & Merch | "Return on Relationship"

Source: MARS Agency, 2022 A Quick Look At Retail Media Measurement

As more suppliers move to full-funnel planning for their brands, it is more important than ever to start with the preferred business outcome, then move into retailer prioritization, budgeting, and tactical planning against individual KPIs. Brands will then see their media "perform" in a myriad of ways that support the needs of the business, reaching customers where they are in their journey.

2.3 Closed-Loop Measurement

Retail media provides a unique opportunity for closed-loop measurement as it enables advertisers to connect the dots between ad exposure and sales. By leveraging first-party data and tracking sales data across all channels, including in-store and online, retail media networks can provide advertisers with a more complete view of the customer journey and the impact of their advertising efforts.

Retail media networks use various attribution models, such as last-touch, multi-touch, and assisted sales, to assign credit to different touchpoints along the customer journey. Additionally, retailers often have access to data on in-store sales and foot traffic, enabling them to track the impact of online advertising on in-store sales.
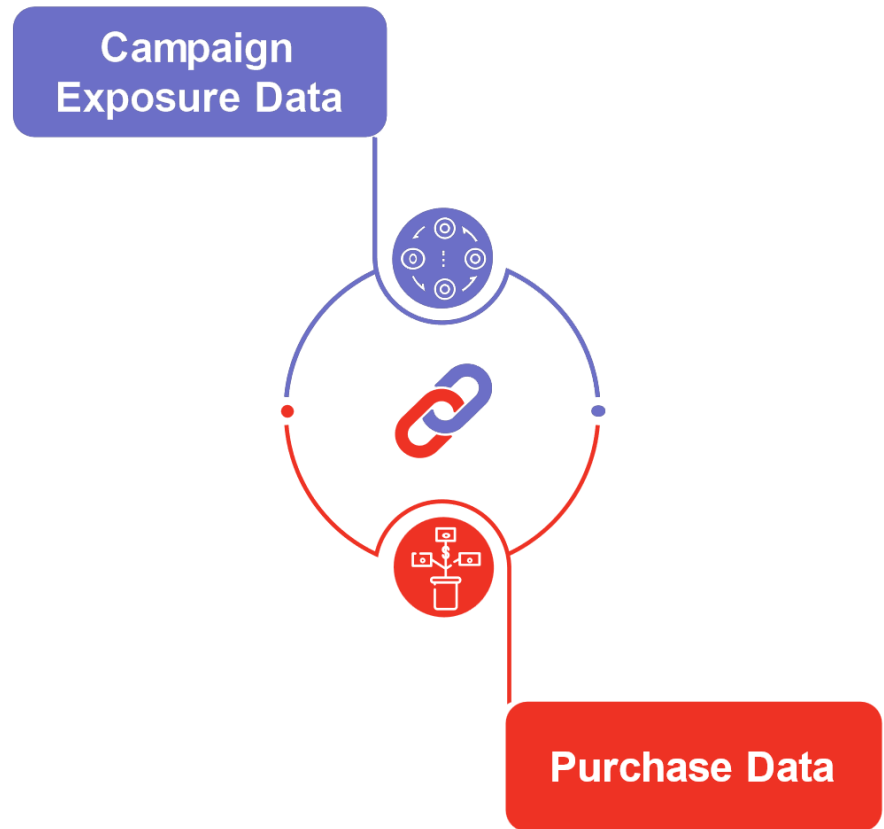

Source: Closed-Loop Measurement Is What Makes Commerce Media Stand Out — Retail Touch Points

For instance, a beauty retailer may use closed-loop measurement to analyze the impact of its sponsored listings, email campaigns, and site placements on sales of a new line of skincare products. By tracking sales at the SKU level and using a 14-day click lookback window, the retailer can determine which channels are driving the most conversions and allocate its marketing budget accordingly.

Another example of the value of closed-loop measurement in retail media is assessing assisted sales, which looks at ad interactions that may have helped drive a sale even if those ad interactions don't receive explicit attribution credit. This technique provides a more holistic view of the consumer journey and allows advertisers to better understand which types of ad interactions are contributing to driving sales, regardless of the attribution rules of a given retail media network.

Overall, retail media provides a robust closed-loop measurement solution for advertisers seeking to maximize the effectiveness of their marketing spend. By leveraging first-party data, attribution models, and targeted ad formats, retail media networks can provide advertisers with a complete view of the customer journey and enable them to optimize their marketing investments accordingly.

2.4 Onsite
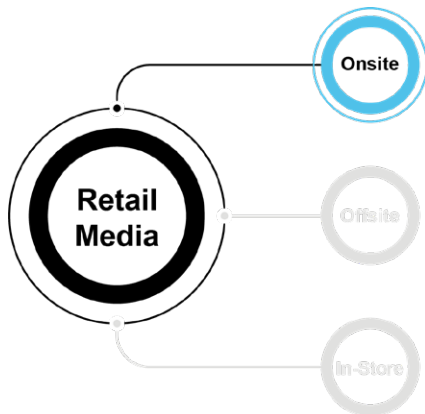
Source: IAB Introduction to Retail Media Course, 2023

Onsite retail media refers to advertising placements and formats that appear on a retailers website or app. Advertising found on retailer.com is intended to connect with shoppers, and ensure they connect with the paid brand, while in a shopping state-of-mind. It is an opportunity for that brand to showcase its product set, how to use it, and demonstrate how it fits into the shopper's lifestyle and needs. Onsite advertising can consist of both endemic and non-endemic advertisers. One of the key benefits for retailers in leveraging onsite ads, is their ability to keep the shopper on their website. Generally speaking these ads click internally, but in some cases they can link externally for non-endemic advertisers. This is up to the discretion of the retailer to determine.

There are several different ad formats that can be used in onsite retail media, including:

- Sponsored Products: These are product listings that appear prominently in search results and product pages.

- Sponsored Brands: These are banner ads that feature a brand logo and showcase several products, often appearing at the top of search results.

- Display Ads: These are banner ads that appear on various pages of the website or app, such as the homepage or category pages.

- Video Ads: These are short video ads that can be played before, during, or after a video on the website or app.

> When approaching audience strategy and media planning for onsite retail media, brands should consider their target audience, their purchase intent, and the stage of the customer journey. It's important to understand the specific customer behaviors and preferences within the e-commerce platform, and tailor the ad format and messaging accordingly.

For example, a brand selling running shoes might target people who have previously purchased workout clothes on an e-commerce platform. They may choose to use sponsored products or display ads, and highlight the key features of their shoes, such as breathability or durability.

Another example could be a consumer-packaged goods (CPG) brand targeting families with young children who often purchase snacks online. The brand may opt for sponsored brands or display ads and focus on the convenience and health benefits of their snack products.

A successful onsite retail media campaign should be both targeted and creative, with messaging and visuals that resonate with the audience. Brands should also track and analyze their campaign performance to optimize their media planning and improve their return on investment.

2.5 Offsite
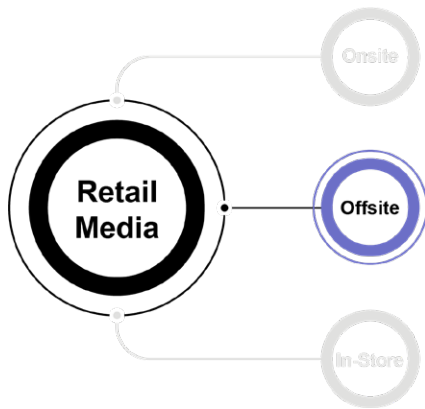
Source: IAB Introduction to Retail Media Course, 2023

Onsite retail media is highly valuable as it meets the consumer in a key moment of active and/or last-mile shopping behavior. However, offsite media complements by expanding the reach of a retailer's audience across search, social, display, CTV, and other engaging formats. By leveraging a retail media network's first-party data, offsite media can help brands scale campaigns, drive awareness, and reach new households.

While opportunities onsite are restricted by available ad space and shopper page visits, offsite media allows brands to scale their campaigns and reach new audiences. By incorporating third-party data available in many data marketplaces, advertisers can target their category to increase share and run conquesting campaigns against competitors to further increase wallet share.

It is important to note, however, that it may be a fallacy to fully credit onsite media with every outcome. Brands need to leverage other impression opportunities across the media mix, considering the full scope of consumer "time spent." By investing in media across a wide range of offsite channels, advertisers can better reach target audiences and measure retail outcomes.

Offsite media includes any digital property not owned and operated by the retailer, such as web, app, display, social, CTV, audio, digital video, DOOH, and in-game. Brands that execute media campaigns through a retail media network's offsite offering are leveraging the retailer's first-party data for targeting and omnichannel closed-loop measurement. Offsite media is often bought through a third-party platform or partner of the retailer.

In conclusion, the power of retail media is rooted in leveraging retailer first-party data for targeting and omnichannel closed-loop measurement. However, where the brand's message media is being delivered is critical as well. Brands must meet consumers where they are, and that won't always be retailer websites or owned inventory. All brands who buy media through retail media networks may need to incorporate offsite into their strategy, especially for driving awareness of new brands and showcasing availability. Offsite allows brands to direct buyers to the retail channels that are most profitable and important to them.

2.6 In-Store
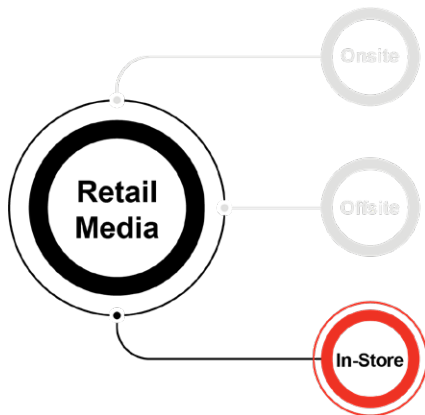
In-store retail media refers to the advertising and promotional content that is displayed within a physical retail environment, such as product displays, signage, video screens, and other forms of marketing collateral. The opportunity in in-store retail media lies in the ability to reach shoppers at the point of purchase, when they are actively engaged in the shopping experience and making decisions about which products to buy.

Some of the benefits of in-store retail media include:

- Targeted Advertising: In-store retail media allows advertisers to target specific demographics.

- High Visibility: In-store retail media is highly visible and is in close proximity to the products being advertised, making shoppers more inclined to purchase those products. make purchase decisions.

Source: IAB Introduction to Retail Media Course, 2023

- Increased Sales: In-store retail media can help increase sales by promoting products that might otherwise go unnoticed, or by encouraging customers to try new products.

- Data-Driven Insights: In-store retail media can provide valuable insights into consumer behavior, such as which products are most popular and which marketing messages resonate best with shoppers.

> Overall, the opportunity in in-store retail media lies in its ability to connect with shoppers at the point of purchase, drive sales, and provide valuable insights into consumer behavior. As technology continues to evolve, the use of in-store retail media is likely to become even more sophisticated, with the ability to personalize advertising messages and track customer behavior in real time.

- **In-Store:** Any digital media (audio, visual or mobile app) that takes place within the walls, or upon entering, a physical retail location.
    - **Offline (In-Store):** There are many tactics that are activated at shelf or in-store that are not served digitally (i.e. in store physical displays, signage, or if the retailer's circular is made available for in-store consumption). Typically, these tactics are not placed by the media agency (but they can be), reserved very far in advance, and can be a flat fee or CPM based.

- **Digital (In-Store):** In-store digital media, audio, and display tactics can be activated on or off a shopper's device and are served within the physical store. The ads that reach the shopper directly in-store usually occur on their mobile device, i.e a push notification or can be accessed by a separate device in-store like department specific digital screens, digital shelf-talkers, or screens at self-checkout. (Ads that target shoppers on their mobile devices can also be considered onsite media when the shopper is using the retailers mobile app) Also, there are third-party shopping apps that reach the shopper while they are in the physical store and encourage engagement in- aisle with the products or a post-purchase receipt redemption.

  - Digital audio can run throughout the day within the retailer venue with multiple ads running in rotation

  - Push-notifications can be triggered upon entry to the physical store, driving to a specific aisle or display

  - Screens throughout the physical store (i.e. store entry, cooler surfaces, smart carts, shelf tags, menu boards, interactive kiosks, pharmacy, self-checkout), can inform, engage, and educate shoppers with visual or video ads which highlight brand messaging and relevant promotions

  - Apps that reward shoppers for taking an action in-store; these can be retailer owned and operated or third-party apps

  - Some retailers are packaging in-store physical display opportunities as part of retail media

- **Digital Out-of-Home (DOOH):** Refers to digital media that is not served on the shopper's personal device (i.e. parking lot signage, gas pump, or charging stations near the spots for 'buy online/pick up in-store') but is part of, or relates to, the shopping experience. This medium may be sight, sound, and motion. Similar to in-store, this happens in/around the retailer, but not in the retail location itself, like media in front of or on the way to physical locations (i.e. large format DOOH that you see while driving on a major highway), or can be more place-based near retail locations (i.e. a screen outside of a grocery store, bar, restaurant, or throughout a mall). This channel is also more addressable with targeting capabilities ranging from specific address, radius, daypart, or context.

- **On The Go Video:** Refers to full sight, sound and motion digital video that is served within direct proximity of a retailer. This channel offers the benefits of traditional digital video media with the unique ability to drive awareness and purchase intent just before a consumer goes inside of a retail store. On The Go Video offers brands both scale and data-driven audience-based buying capabilities ranging from geographic, demographic, behavioral, and contextual.

2.7 The Endemic and Non-Endemic Spectrum

Retail media has come to life primarily through driving measurable results for brands that assort their products or services at a particular retailer. These advertisers are defined as endemic since their products can be found within a retailer (e.g. Samsung advertising TVs at Best Buy). Customers expect to see messaging from these brands and it integrates into their overall shopping experience.

More and more, retail media is starting to become a testing area for brands that are not assorted by a retailer. These brands are considered non-endemic, or a brand not normally found at a retailer. (e.g. State Farm Insurance). A non-endemic brand is looking to connect with the audience a retailer cultivates or may be leveraging their own first-party data to identify customers as they shop other sites. Non-endemic brands can buy ads in limited placements on a retail site and can also leverage retailer data offsite to create campaigns targeting relevant segments to them.

Non-Endemic
Brands that are not assorted or related to products available from a retailer but are relevant to the customers' shopping.

Near Endemic
Brands directly related to the products sold at a retailer but not offered for sale.

Endemic
Brands that customers can purchase at a retailer.

As these brands look at retail media, the availability of activations will be directly related to where they fall on the spectrum of customer relevancy. Retailers are continuing to experiment with what brands make sense to their customers. Brands that complement an endemic product can be referred to as near-endemic, products or services directly related to the products a retailer offers and have a wider set of options for on and off site advertising.

Non-endemic brands that are relevant to customers but not the retailer are often only allowed in limited, below the fold, onsite placements or leveraging data offsite.

For media networks that consist of outside retail, these players have an opportunity to speak to their customers (audience) with high-performing placements. These advertising opportunities can be omnichannel offerings that are available throughout the path to purchase that provide customers with relevant messages or services across their journey.
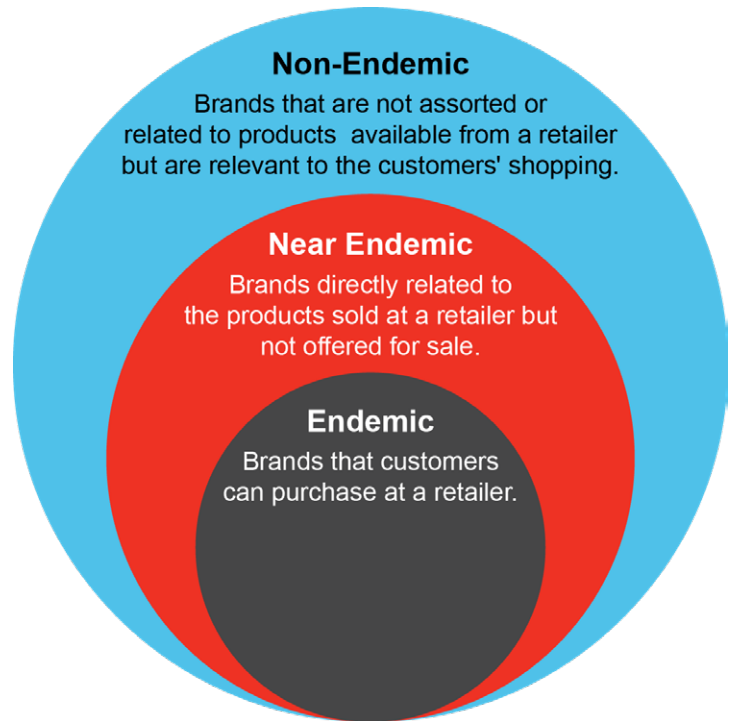
2.8 Unifying the Online and Offline Experience With Retail Media

The Relationship Between Brand, Retailer, and Customers in an Advertising Context
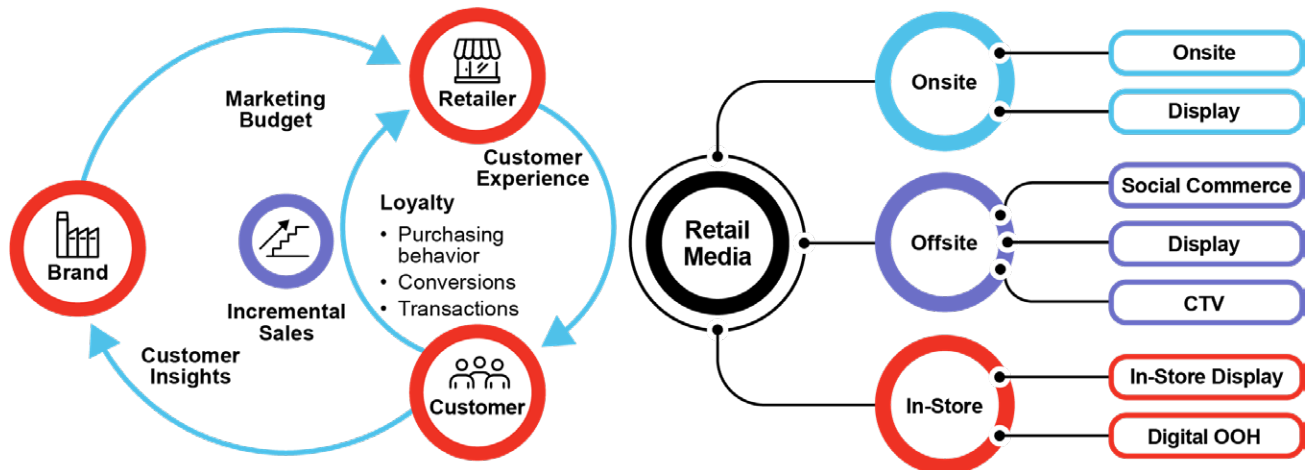
Source: Riding the Retail Media Wave, Accenture, 2022

Retail media is an essential component of modern-day advertising, and it has become increasingly important to create a seamless and cohesive shopping experience for customers both online and offline. The interplay between offsite and onsite retail media tactics is critical in creating the flywheel that fuels its success. By leveraging data and technology, retail media can help retailers drive qualified traffic to their sites, increase page views and revenue, and ultimately fund tactics to strengthen their market position.

However, retail media planning is often siloed based on the channel being used to execute the media spend, such as social media or programmatic advertising. In reality, offsite and in-store channels are part of the overall retail media strategy and should be planned based on achieving objectives within the context of one or more retailers. Therefore, when planning retail media investment, it's essential to focus less on specific channels and more on the retail media objective, such as conversion, consideration, or awareness, within the context of a given retailer.

Retail media networks can offer buyers a wide array of media activation tactics across multiple channels, such as search, social, video, CTV, and programmatic advertising. Each of these channels can be used to achieve different objectives. To drive the best performance possible with a retail media network, media planning should align with specific goals and not be limited by how specific channels are planned with brand marketing dollars.
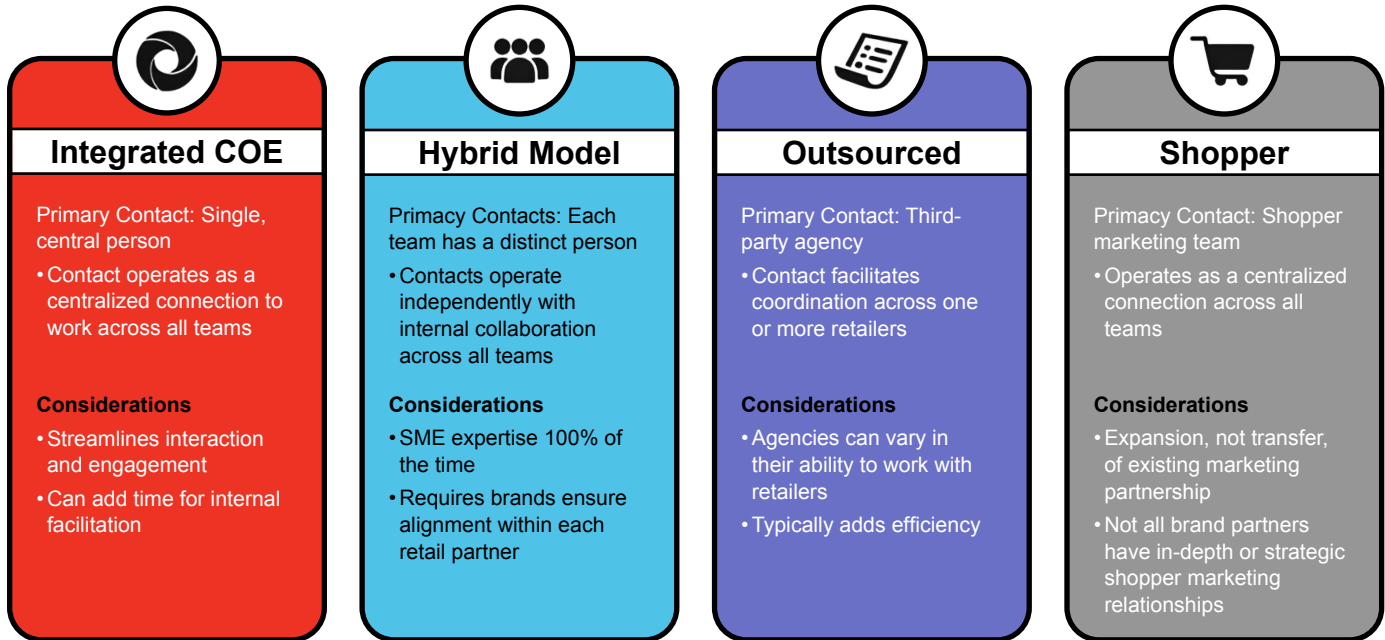
In-store digital tactics enable another form of activation for the media planner, and it should be leveraged to increase in-store share of voice at the brick and mortar point of purchase. Fluidity within your planning and budgeting process is crucial to realize this kind of strategy, but it can help maximize your retail media investment in the long run.

In conclusion, the power of unified retail media strategies lies in leveraging data and technology to create a seamless shopping experience for customers. By breaking down silos, focusing on objectives, and leveraging multiple channels, retailers can increase traffic, revenue, and market position.

3. Fostering Collaboration

Collaboration between retailers, brands, and agencies is crucial for successful retail media strategies. The objective is to shift from mere information sharing between teams towards cohesive execution across the entire planning funnel.

3.1 Understanding Partner Properties

Integrated COE	Hybrid Model	Outsourced	Shopper
Primary Contact: Single, central person	Primacy Contacts: Each team has a distinct person	Primary Contact: Third-party agency	Primacy Contact: Shopper marketing team
• Contact operates as a centralized connection to work across all teams	• Contacts operate independently with internal collaboration across all teams	• Contact facilitates coordination across one or more retailers	• Operates as a centralized connection across all teams
Considerations	**Considerations**	**Considerations**	**Considerations**
• Streamlines interaction and engagement • Can add time for internal facilitation	• SME expertise 100% of the time • Requires brands ensure alignment within each retail partner	• Agencies can vary in their ability to work with retailers • Typically adds efficiency	• Expansion, not transfer, of existing marketing partnership • Not all brand partners have in-depth or strategic shopper marketing relationships

Source: IAB Introduction to Retail Media Course, 2023

In order to do this effectively, stakeholder mapping and transparent conversations are essential to ensure seamless media partnerships between brands, retailers, and agencies.

3.2 Joint Business Plan Negotiations

A joint business plan (JBP) is the collaborative process of planning between a retailer and a supplier in which both companies agree on short-term and long-term objectives, financial goals, growth, and shared business initiatives for profitability. JBP's cover a wide-range of relationships in the retail media and media ecosystem; we typically see them between brands and retailers, brands and publishers, retailer and publishers with agencies typically playing an intermediary role. For example, brands no longer must take an either-or approach to retail and social media as companies in both categories have forged deals, such as Dollar General's DGMN media network partnership with Meta that includes campaign and creative services and attributable measurement.

Depending on the size of the annual commitment, many brands have individual JBPs or strategic partnerships with their largest retail partners to strengthen the relationship between a brand and a retailer and show a mutual commitment to driving growth and value. As retail media accelerates, agencies and retail partners have ventured to create agency wide partnerships or rate cards to bring the additional benefit of holistic spending to their clients. For JBPs to be meaningful, they should be co-created with the brand/agency based on objectives and priorities on both sides. This is a time to align on overall budget commitment with specificity around investment, allocation, and rates, highlight unlocks and added value, partnering in continued education in the space and innovative opportunities. Brands should work in collaboration with their agencies before approaching direct conversations about budget commitments, so that media-related specifics can be negotiated at the same time for maximum leverage. This is increasingly important as more offsite offerings need to be negotiated and become a part of a brand's holistic digital buy. Agency-level partnerships also give the opportunity for RMNs to be more inclusive and attainable for brands with smaller budgets and non-endemic brands.

Types of Joint Business Plans

Holistic

Media Led

Separate BPs between the retailer's commercial and media teams and the brand.

Benefit: The media team signs a JBP with a CPG's CMO, which includes a multi-year incentivization program unlocking bigger discounts on media the more they spend.

Unified trade and media JBPs, providing clear incentives for brands to grow their spending in both areas.

Benefit: Allows brands to optimize spend across the entirety of the funnel and allocate dollars where they're needed most.

Source: ExchangeWire.com - Unlocking the True Revenue Potential of Retail Media

3.3 Changing Dynamics and Collaboration Across Retailers, Brands, and Agencies

To provide the greatest value, organizations should ensure both channel/trade marketing and media planning efforts are aligned and working together to avoid duplication or commitments being made out of sync. This can be achieved through joint planning sessions across the various marketing and sales channels within your organization or client organization to better understand all the potential activity that could be happening at a given time and that all efforts compliment each other. Holistic business objectives should be determined together to help allocate investment levels to drive toward shared goals and to get the most efficient use of marketing spend. Measurement strategies play a role here as well, ensuring that they ladder back to the holistic business objectives and performance can be measured in all levels of activity across the funnel. Breaking down silos will create better partnerships with the retailers and allow organizations to spend more holistically, unlocking additional value and support. Negotiating with trade, brand, and agency budgets combined increases the ability to unlock special services or added value activities tied to spend level, such as advanced reporting, testing opportunities, rate efficiencies, and other benefits.

Additionally, successful retail media buying relies on understanding the shopper path in order to optimize campaigns and capture the consumer at the right time. Leveraging consumer insights from trade marketing teams can be invaluable for helping to better understand consumer behavior such as which channels and retailers are most important. As RMN capabilities and product offerings continue to expand, agencies and RMNs need to have closer connectivity. Together, they should look to build shared learning agendas (both from the past and for the future), spend time collaborating and learn from each other, and adding value to one another. In addition to client-led JBPs, agency partnerships with RMNs will become more prominent, negotiating value and rate unlocks across clients and helping to drive mutually beneficial exposure.

Part of that exposure should come in the form of training and certification on the RMN platforms and media opportunities, especially as the opportunities shift to self-service.

> Agencies and RMNs have a unique dynamic given that many clients are contracting with RMNs directly on a commercial basis and the relationship with these retailers extends beyond a media relationship. Agencies and RMNs must continue to develop strong partnerships and have closer connectivity, especially as retail offerings continue to evolve. Together, they should create shared learning agendas, spend time collaborating and learning from one another, and fostering open dialogue. There is also an opportunity for non-endemic brands and RMNs to develop relationships as they may not have historically existed.

Agencies offer a holistic view to the retail ecosystem, bringing industry knowledge and best practices across media platforms and channels and can be a good testing and development partner for RMNs. With the proliferation of platforms and channels, RMNs and ecommerce exchanges should look to create training and certification programs for media agencies and ensure that their RMN sales teams are well versed in the media business.

As retail media expands to more offsite offerings, the lines are blurred between retail and brand (or national) media, and agencies and RMNs need to break down silos to be more fluid, flexible, and collaborative. With that collaboration and the continued expansion of offsite offerings, it's increasingly important for agencies to include retail media in a brand's holistic media plan; and with the fluidity of brand to retail dollars, retailers need to continue to align with traditional publisher best practices and terms and conditions/guidelines.

3.4 Retail Media Briefing Process

Retail media should be briefed both as an individual touchpoint within an overarching brand planning process and also as a driver of commercial and retail strategy. This may happen on an annual, seasonal, or campaign-by-campaign basis. Knowing the retailer media planning timeline will be key to receiving the brief enough in advance to hit launch dates.

No need to worry if you aren't receiving many brand inputs as this process and documentation will vary by brand and advertiser, but here are some types of documents and inputs to be on the lookout for, for retail:

Brand Brief

- [ ] **Annual priorities and objectives, and the big idea**
- [ ] **Brand positioning, target audience, and success criteria**
- [ ] **Business objectives and channel expectations**

Campaign Brief

- [ ] **Primary objective and featured brands and products**
- [ ] **Fulfillment methods and target audience strategy**
- [ ] **Campaign duration, offers, language, and SKUs**

Retailer Brief

- [ ] **Product category and program overview**
- [ ] **SKU/item list, fulfillment methods, program dates**
- [ ] **Budget allocation, audience targeting, driving KPI**
- [ ] **Priority tactics/placements and flighting considerations**
- [ ] **Messaging and creative strategy**

Source: IAB Introduction to Retail Media Course, 2023

4. Developing Your Audience Strategy

4.1 Identifying the Objective

Developing an audience strategy for retail media can be a complex process, but it is crucial for media buyers to identify and target the right consumers to achieve their business objectives. The first step is to understand the problem that needs to be solved and the business objective for the program efforts. This includes defining the core audience that meets the business objectives and interrogating their behavior, such as how they shop and what they typically purchase. Media buyers should also define their KPIs and map audiences to their business objectives, as well as match retailers' core competencies with consumer behaviors. Ultimately, the retail media strategy should feel like a natural extension of the buying behaviors and should not be separate from the marketing strategy.

4.2 How To Develop an Audience Strategy

As a media buyer, developing an audience strategy for retail media networks begins with understanding the business or consumer problem that needs to be solved. This problem will guide the development of your RMN strategy. Determine the business objective for the program efforts in relation to the larger business problems, such as awareness, acquisition, conversion, or retention.

> To create a successful RMN strategy, it is essential to define the core audience that meets the business objectives and interrogate their behavior. Analyze typical customer journeys and purchase patterns, including categories, brands, and SKUs they have purchased or not purchased in the past, as well as the frequency, location, and timing of these purchases. Consider online versus offline purchase propensities and the factors that influence a consumer's decision to purchase onsite or offsite.

Define and understand the key performance indicators (KPIs) for your RMN strategy, mapping audiences to your business objectives. Identify shopping behaviors that align with your brand or product and strategize how to influence those behaviors through media efforts to drive conversions. If this is not a straight-up return on ad spend (ROAS) campaign, determine where you should drive media to reach your target audience (onsite versus offsite).

When evaluating performance of your offsite and onsite media investments with retail media networks, what do you take into consideration?

U.S. ONLY

Incremental sales
74%

Reach
30%

Return on investment (ROI) or return on ad spend (ROAS)
65%

New-to-brand buyers
30%

Incremental return on investment/return on ad spend (iROI or iROAS)
61%

Viewability
17%

Engagement (clicks, conversions, impressions)
46%

Brand safety
13%

Source: Merkle's 2022 Media Retail Media Research Report

Audience behaviors in RMNs are defined differently than in other media partnerships. RMNs allow for unique audience segmentation based on known buying behaviors while maintaining masked identities. Consider how retail media partners can hyper-segment data (down to the SKU level) and their ability to scale. Define your campaign objectives and success metrics, focusing on measurements that align with successful business outcomes, such as sales lift and incrementality. Clarify the data you will need to use, whether you need to combine your audience with a retail audience, and plan how you will measure it. Decide if you want to measure based on one-on-one outreach or if you are okay with a one-to-many approach for reach, as long as the measurement is one-to-one.

Finally, ensure that your RMN strategy feels like a natural extension of your buying behaviors and is not separate from your overall marketing strategy. Understand and utilize purchase segments in your RMN strategy to create a seamless, comprehensive approach to reaching and engaging your target audience.

4.3 First-Party Data Opportunity

Retail media networks are experiencing growth due to their massive amount of first-party data. With the depreciation of third-party cookies, advertisers are adjusting their media investments to channels and methodologies that support the type of targeting and measurement they expect. Retailers, with their loyalty data, logged-in users, app-based traffic, and retail footprint, are set to benefit from this shift.

While basic targeting and measurement can be accomplished without data sharing and collaboration, more advanced user segmentation for targeting and measurement requires RMNs and advertisers to engage in more advanced data sharing and collaboration. This includes segmentation for new, lapsed and loyal customers, conquesting and demographics with hold-outs for testing, and omnichannel/closed-loop measurement across placements, MTA, and against other RMNs/walled gardens, among others.

Privacy is a crucial consideration in these discussions, with regulations and competition preventing data sharing that might benefit competitors.

Retail Media Activation

Source: A Guide to Retail Media, IAB Canada, March 2023

Retailers use a specific nomenclature or taxonomy to identify product categories and guide shoppers through their shopping experience. These taxonomies can include various dimensions, such as:

- Market Segments: Geography and designated market areas (DMAs)
- Product Level: Category to SKU level (e.g., snacks, potato chips, sour cream chips, individual bag size chips)
- Purchase Method: Online, buy online pick up in-store (BOPIS), in-store, delivery
- Interaction: Searched for, added to cart, browsed, etc.
- Purchase Frequency: Recency and monetary value
- Geography: Locations and territory

Retailers' technological capabilities determine how audience data can be leveraged and activated. Key considerations include:

- Platforms: What platforms are available for data activation and collaboration?
- Data Collaboration: How can data be shared and integrated between partners?
- Activation Channels: Where can data be activated, such as in-store, offsite, or various media formats (e.g., video, display, DOOH, CTV, social, sponsored product)?
- Measurement: What identifiers are used (e.g., uniqueID, persistent ID, addressability)?
- Personalization: The ability to personalize content and messaging for individual shoppers
- Dynamic Creative: The capabilities to adapt and optimize creative elements based on audience data

The flexibility of audience data capabilities refers to the extent to which media buyers can adapt and optimize their campaigns based on the available data. Key aspects of flexibility include:

- Data Utilization: How can buyer data and lookalike modeling be employed to enhance targeting?
- Campaign Types: Which campaigns are allowed to run, and in what formats will the message resonate best (e.g., video, display, DOOH, CTV, social, sponsored product)?
- Linking Policies: What are the retailer's policies regarding linking to other sites or back to the media buyer's site? (Note: Most retailers will not permit linking to other retailers.)
- Co-branding Requirements: Are there any co-branding requirements, and how do these requirements affect creative elements?
- Optimization: Can campaigns be optimized throughout their flight based on performance and audience data?
- Insights: What customer insights are available (e.g., demographics, lifestyle/clustering, purchase behaviors, propensity to buy indexes, geography) and who provides that data?

Understanding how campaigns will be measured is essential to evaluating success and optimizing future efforts. Key measurement considerations include:

- Performance Indicators: What performance indicators can the retailer supply, and how do they align with the media buyer's objectives?
- Reporting Frequency: How often will reports be provided, and in what format?
- Report Delivery: How will reports be sent, and what level of detail will be included?

4.4 Balancing Scale and Efficiency

The current audience scale opportunity in retail media networks is contingent on your overall brand objectives. As a media buyer, consider whether you are trying to target new shoppers, lost or lapsed shoppers, or competitive shoppers. This will influence your approach to purchase behaviors, such as encouraging customers to buy more, use more, try new products, trade up, and/or switch brands.

To effectively scale your audience, consider the potential for onsite, offsite, and in-store opportunities.

Offsite:

- **Look Alikes:** Use recommendation engines to find similar audiences offsite

- **Audience Refresh:** Determine if you are reaching new, lapsed, or current purchasers and how often the data is refreshed

- **Additional Publishers:** Expand your reach by partnering with publishers outside of the retailer

- **Three-Dimensional Audiences:** Combine data from publishers, retailers, and your brand to create more comprehensive audiences. This can also be done onsite

- **Non-Person-Based Targeting:** Use contextual and geographic relevance to reach your audience

- **Inclusion Parameters:** Modify the parameters for an audience, such as increasing the lookback window or reducing the frequency of observed behavior required for inclusion

- **First-Party Data:** Leverage your own audience data to reach relevant shoppers in addition to, or instead of, audiences provided by the retailer

In-store:

- **Location-Based Data:** Expand your area by using geofencing and in-store location data

- **In-Venue Machine Learning:** Analyze foot traffic comparisons and mobile device IDs

- **Cross-Retailer Partners:** Reach audiences across national retailers using partnerships

- **On-The-Go Video:** Develop optimized media plans specific to business objectives, targeting geography, retailers, consumer demographics, and consumer purchasing behavior through data-driven audience-based buying

Onsite:

- **User Retention:** Examine how often users return to the site for shopping or browsing and plan accordingly

- **Retailer Vertical Expansion:** Leverage other retailer verticals within their domain, such as adjacent categories or other brands, to target a wider audience

- **Domain Expansion:** Explore other brands, categories, and basket sizes or frequencies within the retailer's domain

However, there are several factors to be cautious of when expanding your audience scale:

Cross-Retailer Mapping

Retailers generally prohibit mapping buyers from one retailer to another (e.g., mapping a Kroger buyer to a Target buyer).

Balancing Accuracy and Scale

The larger your audience, the more difficult it becomes to maintain accuracy in targeting. Understand where the balance between accuracy and scale lies for your brand.

Audience De-Duplication

Consider strategies for de-duplicating audiences to ensure efficient media spend, such as implementing frequency caps to avoid overdelivering the same message to the same audience.

Limitations in Scale

Retail media has limitations when it comes to scale. For example, out-of-stock situations can constrain your efforts. Ensure that your SKU is in stock before investing heavily in advertising. While this is critical for in-store promotions, it may not be as important offsite.

Source: IAB Introduction to Retail Media Course, 2023

By carefully considering scale and implementing strategies to expand your audience while maintaining accuracy, you can optimize your retail media strategy for maximum impact. Utilize the available onsite, offsite, and in-store opportunities to reach your target audience and achieve your brand objectives. Moreover, be aware of potential pitfalls and limitations in scaling your audience to ensure efficient media spend and a seamless customer experience.

As you navigate the retail media landscape, it is essential to continuously monitor and adapt your approach. Stay up to date with industry trends, changes in consumer behavior, and evolving retail media network capabilities. Regularly evaluate your audience segmentation and targeting strategies to ensure they remain effective in achieving your desired outcomes. By staying agile and adjusting your strategy as needed, you can unlock the full potential of retail media networks and drive meaningful results to your brand.

4.5 Understanding Product Distribution

Match retailers' core competencies with the desired behaviors of your target audience. Consider retail media experiences that cater to those behaviors. Understand where your product is sold in conjunction with your objectives, including store locations, geographies, and whether the product is in stock. Consider the potential user experience if the product is not in stock when advertising on specific RMN platforms.

Geographies → **Store Locations** → **Stock Levels** → **Out-of-Stock Situations**
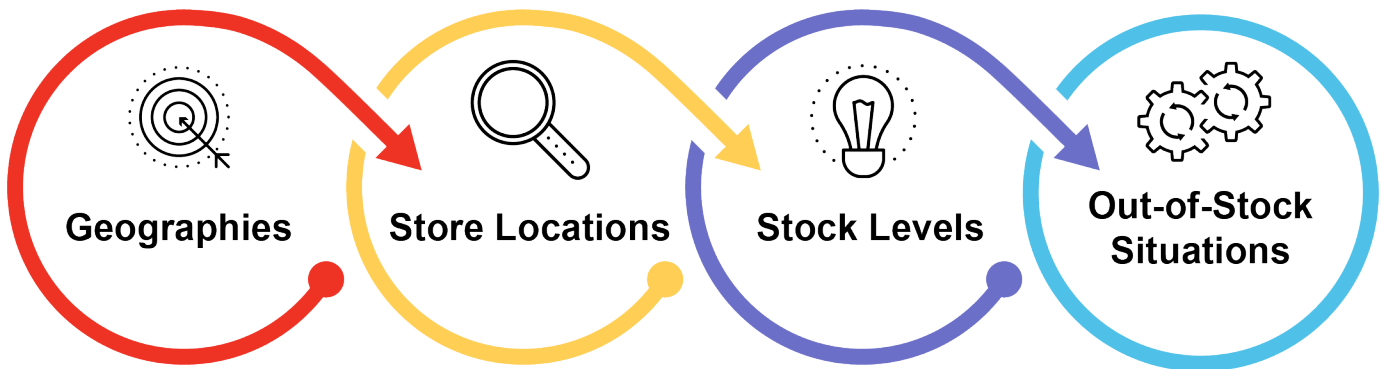
Source: IAB Introduction to Retail Media Course, 2023

Match retailers' core competencies with the desired behaviors of your target audience. Consider retail media experiences that cater to those behaviors. Understand where your product is sold in conjunction with your objectives, including which stores, locations, and whether the product is in stock. Consider the potential user experience if the product is not in stock when advertising on specific RMN platforms.

Examine the ecosystem of product categories, brands, and specific SKUs, as well as product adjacencies and shopping baskets. Research your brand's affinities and the items typically in your shopper's cart when they buy your product. You may find growth opportunities outside of your categories, such as targeting beer or soda buyers.

4.6 What Are the Audience Capabilities

In today's rapidly evolving retail media landscape, understanding the audience data capabilities offered by individual retailers is crucial to developing a successful media strategy. These capabilities vary by retailer and depend on their specific technology, business rules, and taxonomy. This chapter will examine the different aspects of audience data capabilities, including taxonomy, technology, and flexibility, as well as their implications for media buyers.

In conclusion, understanding the audience data capabilities offered by retailers is crucial for media buyers to develop effective strategies and drive better results. By examining the taxonomy, technology, and flexibility of these capabilities, media buyers can optimize their campaigns and make informed decisions that align with their overall objectives. As the retail media landscape continues to evolve, staying informed of the latest developments in audience data capabilities will be essential for maintaining a competitive edge in the market.

Best Practices for Leveraging Audience Data Capabilities

To make the most of the available audience data capabilities, media buyers should consider the following best practices:

- Align data capabilities with campaign objectives: Ensure that the retailer's audience data capabilities align with your campaign objectives, and utilize the insights and measurement tools provided to optimize your efforts.

- Develop a clear understanding of taxonomy: Familiarize yourself with the retailer's taxonomy to effectively navigate their product categories and shopper experience, enabling more accurate targeting and segmentation.

- Collaborate with retailers and technology partners: Work closely with retailers and technology partners to share data, integrate platforms, and develop a more comprehensive understanding of your target audience.

- Test and optimize campaigns: Continuously test different audience segments, targeting strategies, and creative elements to determine what works best for your specific objectives. Use the available data to optimize campaigns in real-time and improve overall performance.

- Stay informed of industry trends and developments: Stay up-to-date with the latest developments in audience data capabilities and retail media networks to ensure your strategies remain relevant and effective.

By following these best practices and leveraging the audience data capabilities offered by retailers, media buyers can develop more targeted and efficient campaigns that drive better results for their businesses. As the retail media landscape continues to evolve, staying informed and adaptable will be key to long-term success.

4.7 Activating Your Audience

Retailers have critical choices to make with regards to how to make their valuable first-party data assets accessible to brands for activation. Sophisticated retailers are offering up their data to brands in a variety of ways. This can include self-serve platforms on the buy-side or sell-side, where data can be accessible without the need for retailers managing the media buys, allowing for tremendous scale. Additionally, retailers can choose to provide managed service offerings for which they maintain more control and can offer more omni-channel solutions.

Self-Service Solutions: Supply-Side Platforms (SSPs)
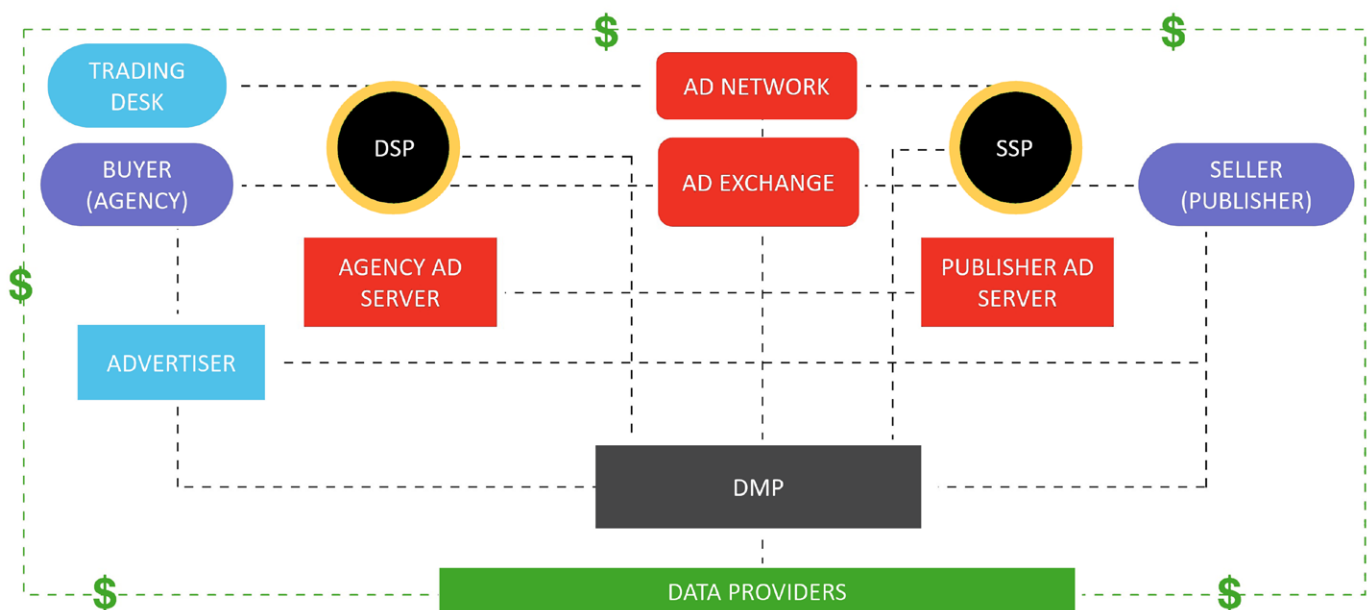
Source: IAB Introduction to Retail Media Course, 2023

Supply-Side Platforms (SSPs)

One opportunity is for retailers to enable brands to access their first-party data segments directly through Deal IDs or private marketplaces, through an SSP. This enables buyers—using any DSP—to reach consumers on their path to purchase in web, app, digital video, and CTV inventory they are already comfortable buying. This is arguably the most scalable opportunity, with the data being made available via the supply side, enabling all demand side platforms to access.

In this scenario, a retailer would work with an SSP to provide a near real-time feed of first-party audience segments (based on point-of-sale, loyalty card information, digital intent signals, etc.). These segments would be managed via one endpoint (SSP) and propagated in a data compliant manner to biddable inventory across the open web, including channels like digital video, CTV, web and app inventory. Buyers who are granted access would be able to buy against these segments using a multi-publisher deal ID.

This lets the retailer accurately forecast inventory in real-time and layer other targeting options including performance (viewability/completion) while getting an immediate read on the possible scale for a campaign. In addition, the data sync being made at the SSP allows for a better cookie/ID matching as you remove a sync in the chain (DMP<>SSP vs DMP<>DSP<>SSP).

Demand-Side Platforms (DSPs)

Another self-serve option is for retailers to make first-party data assets available via DSPs. In this scenario, retailers would make their data available through a DSP marketplace, and accessible to permissioned buyers using that DSP. Approved buyers would then be able to layer onto that first-party data for any programmatic programs they are running using that specific DSP and looking across all relevant inventory sources.

Managed Service

Some buyers may not have access to a buying platform, or may prefer to have the retailer or intermediary manage the campaign for them. In this instance, retailers may choose to offer a managed service, which does not disintermediate the data from the media buy. This enables them to package up a media program targeting their first-party data with specific brands and to provide a full service offering that includes media optimization and reporting.

4.8 In-Store Audience Strategy

Targeting in retail is the same concept as non-retail; it's the available audiences that the channel or tactic can reach. In the context of retail, the universe of available impressions is often based on location, behavior, and motivations. Within the channels listed above, there are varying levels of addressability, specificity, and different data sources. Depending on the tactic, the message can be deployed one-to-many or one-to-one, with the latter being a very small subset of media opportunities.

- Least addressable will be large format DOOH installations that are meant to drive mass pre-shop awareness and reach people before they get to the store

- Placed-based DOOH is still broad, but much closer to the point of purchase and is often more contextual than anything to capture the most relevant shopper

- On-the-go video reaches shoppers within direct proximity of retailers just before they are about to go inside and shop across their favorite retailer channels. Audience-based buying allows for site level targeting for relevant shoppers

- The in-store universe reaches shoppers within the retailer itself and can be more targeted if it's deployed digitally

- In-store digital allows for leveraging basket affinity data to target most relevant shoppers

Types of Targeting	Descriptions and Examples
Geolocation	• DMA's, zip codes, individual store location or high traffic areas • Personal device location while in-store (e.g. GPS venue-based push notification) • Specific center store section or aisle by category
Day of Week and Time of Day	• Campaign activation by day of week, Monday through Sunday • Campaign activation by daypart, open to close, 6am - 10am, 12pm - 8pm, etc. • Campaign activation by hour of day, 2 pm - 4pm, 2 pm - 8pm, etc.
Contextual	• In-store product availability that makes most sense to serve the ad either in or out of the store • Geographically aligned with an e-commerce or digitally executed campaign • Timing of new product distribution by location or region • Driving shoppers to a specific location within the store for pop-up events, kiosks, sampling, etc.
Environmental or Event	• Weather • Local events (e.g., community events, local sporting events and teams, charity organizations)
Demographics	• Demographic overlays can be applied by zip code for non-addressable shoppers or other targeting levers if served to an addressable segment of store shoppers
Behavioral	• Consumer shopping behavior data can be overlayed to targeted shoppers of specific retailers, categories, or products

In-Store Innovation

Aside from measurement, which will be covered as a standalone guide, innovation across in-store and DOOH covers three basic areas.

Innovation	Description and Use
Dynamically Served Ads	Unlike offline in-store media that requires pre-printed materials, digital in-store audio and visuals can be updated and served dynamically. Planning and activation could be focused on creative and context (i.e. store location of advertised product), store location (i.e. by DMA, city, zip +4 or specific store addresses) or environmental factors (i.e. weather or event).
Programmatic (Self-Serve or Managed)	Some in-store digital and audio inventories are available via programmatic buying platforms. This should be the expected availability by each retailer's offerings with the preferred method of self-service by the advertisers. Retailers should make self-service digital in-store available.
Cross-Retailer Reach	The ability to buy digital in-store and DOOH across multiple retailers is desired by buyers. This requires retail media platforms to add capability.

Driving People In-Store and Measurement via Loyalty Data
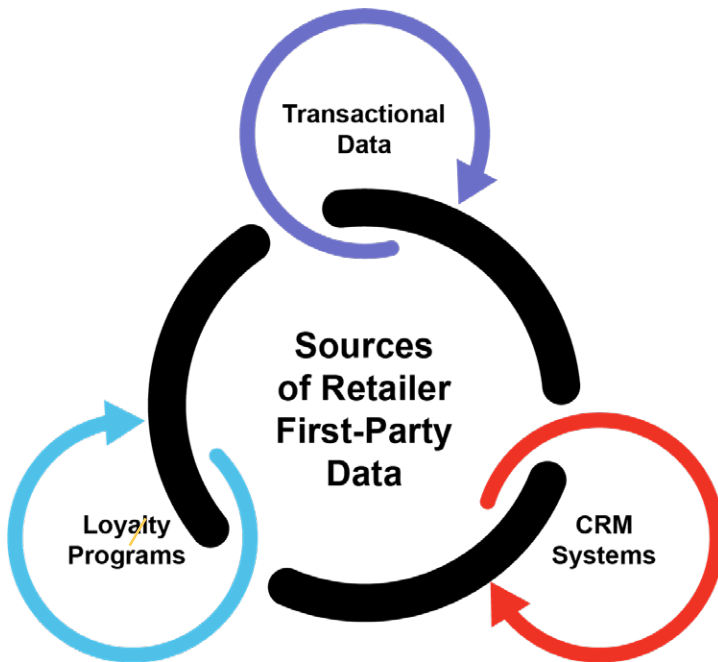
Source: IAB Introduction to Retail Media Course, 2023

Loyalty card data allows RMNs to track who is exposed to media and what they end up buying at stores or online. RMNs can utilize impression feeds to see who was served an ad and whether they ended up not only coming into the store to make a purchase, but also what they specifically bought. There are several areas where this tracking is possible including programmatic media, CTV, and owned and operated media such as direct mail and emails. Measurement on other platforms is also available, but granularity is dependent on the specifics of those platforms. RMNs start with a set of IDs for who brands want to market to, serve media to those individuals, and then measure to see if those individuals who received an ad ended up coming in-store to buy a specific product or set of products.

For example, a retailer can measure whether someone who received an ad through the Walgreens DSP came into a store to buy that product.

RMNs can also leverage third-party vendors like IRi, Oracle Data Cloud, or Neilsen's NCS to measure the incremental impact (i.e. sales lifts) of programmatic media. Sales lifts can be achieved through increasing household penetration, trips, or cost per trip. The trips portion would help RMNs answer specifically if the media was responsible for increasing the amount of times people are coming to stores to buy the specific set of products.

Best Practice for Leveraging Audience Data

- [ ] **Align retailer's data capabilities with campaign objectives**

- [ ] **Develop a clear understanding of retailers' taxonomy**

- [ ] **Test audience segments, targeting strategies, and creative elements**

- [ ] **Personalize messaging for individual shoppers**

- [ ] **Stay informed of the latest developments in audience data capabilities**

Source: IAB Introduction to Retail Media Course, 2023

5. Retail Media Buying and Creative Strategy

5.1 Onsite Media Buying

Source: https://www.shalion.com/blog-posts/eretail-media-onsite-ads
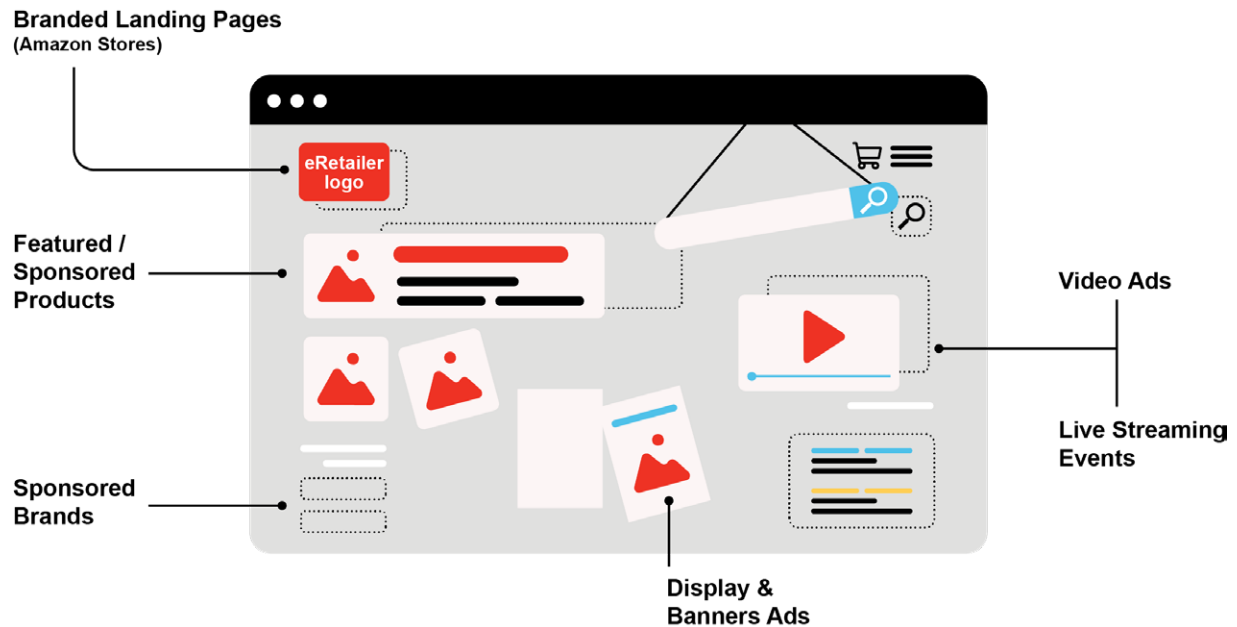
Common inventory types:

- Sponsored Products: Prominent product listings in search results and product pages
- Sponsored Brands: Banner ads with brand logo and product showcase, typically at top of search results
- Display Ads: Banner ads on various website and app pages, (for example homepage or category pages)
- Video Ads: Short video ads played before, during, or after videos on the platform

Flexible spending and CPM or CPC campaigns:

Spend distribution usually depends on campaign objectives, targeting options, and inventory availability. When it comes to onsite media buying, advertisers can typically choose between flexible spending options, such as CPM or CPC campaigns. Availability is dependent on traffic levels and technical capabilities.

Optimize ad strategy by considering target audience, purchase intent and customer journey stage, tailoring ad format and messaging to platform-specific customer behaviors and preferences.

5.2 Offsite Media Buying

While onsite retail media targets consumers during lower funnel, active shopping behavior, offsite media reaches mid- and upper-funnel audiences, communicating with first-party customers across search, social, display, and other engaging formats. The synergy between offsite and onsite retail media tactics is essential for success.

Offsite media includes any digital property not owned by the retailer, such as web, app, display, social, CTV, audio, digital video, DOOH, and in-game channels. Offsite media is often bought through third-party platforms or retailer partners.

- Programmatic display ads and CTV ads use technology assisted buying, including real-time bidding (RTB), to buy ad space, allowing for precise targeting and personalization.
- Social media platforms offer a wide variety of ad formats, including sponsored posts, stories, and video ads. Search engine advertising includes paid search and product listing ads.
- Audio ads include both digital streaming services and terrestrial radio.
- In-game advertising refers to ads placed within video games, including mobile games and console games.

Expanding Reach with Offsite Retail Media

Offsite media overcomes onsite limitations of ad space and shopper page visits by using third-party data from data marketplaces for targeted category growth and conquesting campaigns against competitors. Brands should invest in a diverse media mix, considering the full scope of consumer "time spent" to reach target audiences and measure retail outcomes. Incorporating offsite media into retail media network strategies is essential for driving awareness of new brands, showcasing availability, and directing buyers to the most profitable and important retail channels.

Offsite Retail Media Spend

Retail media networks vary in offsite channel offerings and data usage outside owned channels, typically selling media on a CPM basis. For both managed and self-serve programmatic display, retailers suggest budgets according to objectives, audience sizes, and campaign timing. Budgeting for CTV, social, search, audio, and in-game channels should consider campaign goals and data match rates, with testing recommended. As numerous brands enter this space, retailers often advise tests to gain insights on audience and channel performance. Test spending depends on channel and audience size.

5.3 In-Store Media Buying

Source: https://www.oliverwyman.com/our-expertise/insights/2022/jun/retail-media-presents-new-business-opportunities.html
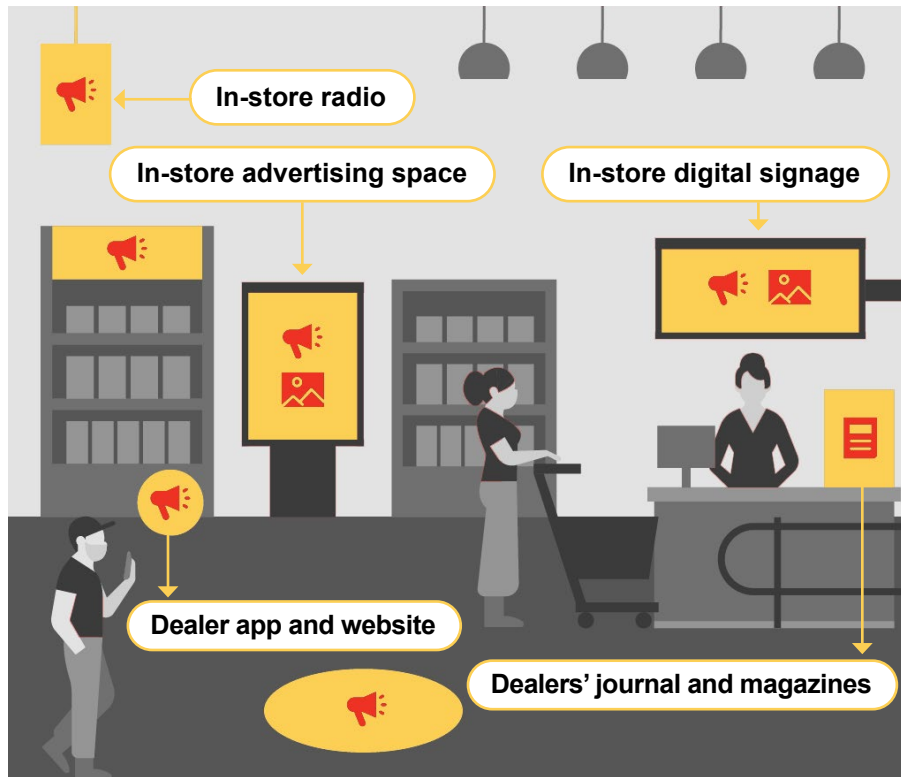
In-store media buying refers to advertising placements within the physical store, such as signage, displays, or interactive kiosks. The goal of in-store media buying is to drive sales and increase brand awareness.

Aligning In-Store Strategy, Budget, and Goals

With various in-store, DOOH, and on-the-go video tactics, investments for scaling reach, and boosting ROAS/sales lift differ. Chat with tactic reps to align strategy and budget with your goals. Learn about capabilities, targeting, and requirements like store count, timeframes, production, and measurement.

- **Dynamically Served Ads:**
  Digital in-store audio and visuals can be updated in real-time, integrate creative content, store location, or even environmental factors like weather or events.

- **Programmatic Buying:**
  Programmatic is becoming the norm for in-store digital and audio ads.

- **Cross-Retailer Reach:**
  Enables digital in-store and DOOH ads buys across multiple retailers.

For example, in March of this year, Kroger announced plans to install IoT-enabled smart screens in 500 stores, enhancing customer experiences with dynamic product promotions and aiding informed decisions. The screens, initially planned for refrigerator and freezer sections, will provide dynamic promotion of products, specials, and deals. Expansion into other store areas is under discussion. The technology allows customers to make more informed purchase decisions by catering to their health needs, budgets, diet, and lifestyle. The initiative is being conducted in partnership with Cooler Screens, which competes with services like Grocery TV and Lightbox. Kroger has expanded its partnership with Cooler Screens to 500 stores.

5.4 Creative Planning and Strategy

In retail media, success goes beyond investment strategies and inventory procurement, with creative planning and strategy playing a critical role in achieving campaign goals across diverse channels and KPIs.

Optimizing Creative for Retail Media Ad Formats

Source: IAB Introduction to Retail Media Course, 2023

- Understanding unique ad formats and placements is necessary to create effective retail media assets. Tailor creative assets for visual appeal and persuasion, and consider the context in which they appear to capture consumer attention.

- For onsite placements, use customized product recommendations, consistent messaging, clear calls-to-action, and in-store promotions to enhance the shopping experience.

- High-quality video content, contextual relevance, cross-device integration, and actionable calls-to-action within CTV ads drive sales and engagement.

- Display advertising should employ optimized formats, interactive elements, and retargeting strategies to maximize impact.

- Authentic content, influencer partnerships, rich media formats, and in-app shopping features can build trust, engage users, and encourage seamless purchasing experiences.

5.5 Tailor Call-To-Action to the Funnel-Stage

Tailor CTAs to the Final Stage

"Introducing...,"
"Available now,"
or "New at..."
AWARENESS

"Did you know"
INTEREST

"Learn more" or "Watch now"
CONSIDERATION

"Shop now," "Buy now,"
"Sign up," or "Try now"
CONVERSION
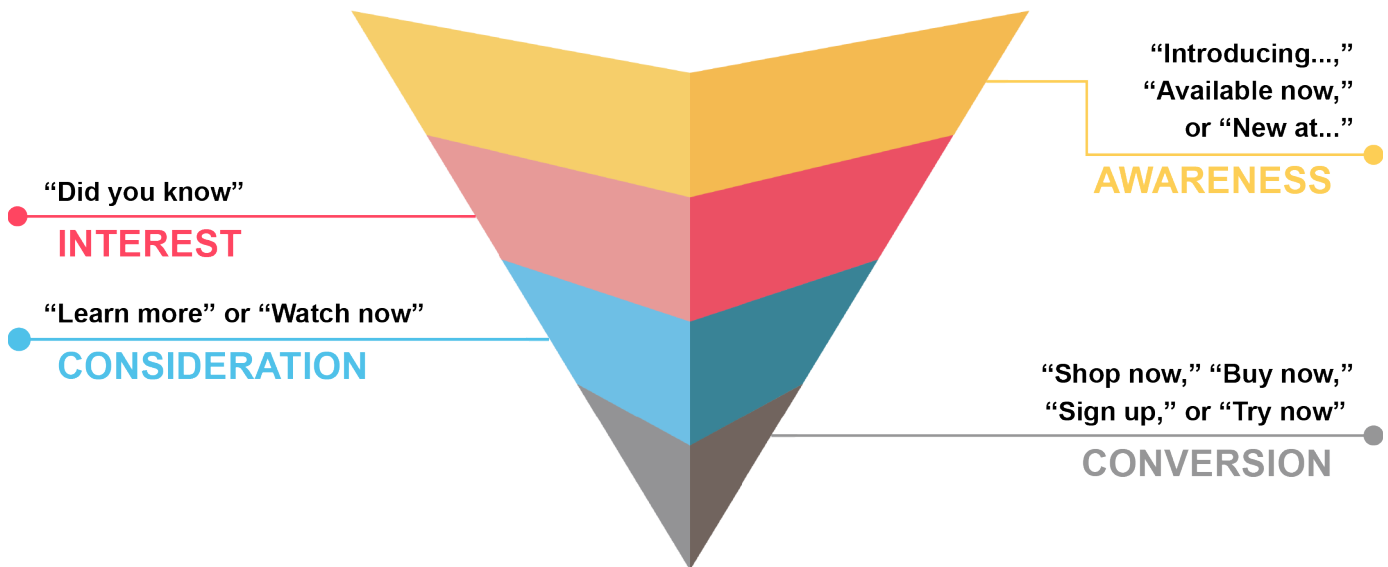
Source: IAB Introduction to Retail Media Course, 2023

Mapping creative back to specific channel KPIs across the consumer journey can improve relevance and performance, and CTAs should be tailored to the appropriate stage of the funnel.

Top of funnel CTAs, focused on awareness, may include phrases such as "Introducing...," "Available now," or "New at...".

Mid-funnel CTAs, aimed at consideration, may include "Learn more" or "Watch now." Lower-funnel CTAs, targeting conversion, may include "Shop now," "Buy now," "Sign up," or "Try now."

At the bottom of the funnel, there is also an opportunity to leverage industry tools, such as personalization and dynamic creative optimization (DCO), to communicate lower-funnel brand message CTAs effectively.

It is crucial to continually test and optimize creatives based on performance data and feedback from the retail media network. Most retail media networks offer built-in A/B testing capabilities that allow advertisers to evaluate the performance of different creative variations.

5.6 Creative Planning Best Practices

Creative Planning and Strategy Best Practices

☐ **Consider the source of creative development**

☐ **Understand to be parallel ad specifications**

☐ **Manage lead times and timelines**

☐ **Align creative with channel KPIs**

☐ **Remain agile and adapt to new technologies and channels**

Source: IAB Introduction to Retail Media Course, 2023

Acknowledgments

This document was developed by the IAB Retail Media Network Committee.

This project represents months of collaboration, tireless dedication, and the sharing of expert insights from a cross-section of our industry. IAB would like to extend a special thanks to the following individuals that contributed their time & insight in support of this guide.

About IAB

The Interactive Advertising Bureau (IAB) empowers the media and marketing industries to thrive in the digital economy. Its membership comprises more than 700 leading media companies, brands, agencies, and the technology firms responsible for selling, delivering, and optimizing digital ad marketing campaigns. The trade group fields critical research on interactive advertising, while also educating brands, agencies, and the wider business community on the importance of digital marketing. In affiliation with the IAB Tech Lab, IAB develops technical standards and solutions. IAB is committed to professional development and elevating the knowledge, skills, expertise, and diversity of the workforce across the industry. Through the work of its public policy office in Washington, D.C., the trade association advocates for its members and promotes the value of the interactive advertising industry to legislators and policymakers. Founded in 1996, IAB is headquartered in New York City.

The collection and use of data to reach audiences and measure online advertising campaigns is central to powering the digital advertising ecosystem. The Measurement, Addressability & Data Center aims to provide essential industry guidance and education on solutions amid changes in underlying technology, privacy regulations in a constantly evolving ecosystem.

The IAB Measurement, Addressability & Data (MAD) Center focuses on the following initiatives:

- Measurement & Attribution
- Addressability
- Privacy
- Retail Media
- State of Data

IAB Retail Media Network Committee

The Retail Media Network Committee brings together leaders in the retail media space – buyers, sellers, and ad tech solutions – to align on advertising business needs, requirements, and standards to reduce friction in the buying and selling process, and to allow for growth, creativity, and innovation. Meets monthly.

Primary IAB Lead

Jeffrey Bustos, Vice President Measurement, Addressability & Data Center, *IAB*

IAB Member Companies

Adapex
AdCellerant d/b/a Techint Labs
Adelaide
Albertsons Media Collective
Alliance for Audited Media (AAM)
Amperity
Aqfer
ArcSpan Technologies
Audigent
AutoZone
Beachfront
Best Buy
BigQuest Advisory
BlackRock
Blis
Blockboard
Catalyst
Clinch
CMX
CNET Media Group
Colgate-Palmolive
Cooler Screens
Crealytics INC
Criteo
dentsu
Digiphy
Dotdash Meredith
Droga5
E. & J. Gallo Winery
eBay
Emodo
Equativ

Essence Mediacom
Expedia Media Solutions
Experian Marketing Services
eyeo GmbH
Frameplay
Ghirardelli
Goodway Group
Google LLC
GoWit
Grocery TV
GroupM US
GSTV
Horizon Media
Horizon Next
Inmar Intelligence
InMobi
Ipsos
Jivox
KERV Interactive
Kevel
Kimberly-Clark
Kroger 84.51
Lightbox
LiveRamp, Inc.
L'Oréal
Lotame Solutions, Inc.
Lowe's
MadHive
Making Science
Marriott International
Mediahub
Mediavine
Meta

Microsoft Advertising
Mindshare
MiQ
Monster Energy
Nationwide Marketing Group
NBCUniversal
Neustar, a TransUnion company
Newsbreak
Nordstrom
NRS Digital Media
OMD
Omnicom Media Group
Oracle Advertising & Customer Experience
Outbrain
Pacvue
Peapod Digital Labs
PepsiCo
Performics
Pinterest
Placements.io
Procter & Gamble
Publicis Groupe
Publicis Media
PubMatic
Quotient
Raptive
Real Chemistry
Reprise Digital
Roku
Roundel
Sabio Holdings

Sam M. Walton College of Business
Scuti
Spotify
Stingray Advertising
Stingray Radio
SuperAwesome
Taboola
Teads
The Coca-Cola Company
The Mars Agency
The Trade Desk
The Vitamin Shoppe
TikTok, Inc.
UB Media
Uber
Uber Advertising
Undertone
Unilever
Universal McCann
userwerk
Vericast
Viant
Vibenomics
VideoAmp
ViralGains
VMLY&R
Walgreens
Walmart
Wavemaker
WPP Group
Xaxis
Yahoo
YouGov

Contact Information

Jeffrey Bustos
Vice President Measurement, Addressability & Data Center
jeffrey@iab.com

IAB Measurement, Addressability & Data Center
data@iab.com

IAB Media Contacts

Kate Tumino / Brittany Tibaldi
212-896-1252 / 347-487-6794

ktumino@kcsa.com / btibaldi@kcsa.com